

Closed Session II– February 7, 2005

At 6:00 p.m. the Board resumed closed session (from the previous closed session for another purpose) to consult with the County Attorney to consider and give instructions concerning a judicial action titled “State of North Carolina, on Relation of, County of Randolph vs. Clarence Ray Jernigan individually and d/b/a Heath Amusement; Heath Cigarette and Music Service, Inc. d/b/a Heath Amusement; and James Worth Heath individually and d/b/a Heath Amusement,” pursuant to N.C.G.S. 143-318.11(a)(3). Commissioners Holmes, Davis, Lanier, Kemp, and Frye were present. Also present were Frank Willis, County Manager; Alan Pugh, County Attorney; and Cheryl Ivey, Deputy Clerk to the Board.

County Attorney Alan Pugh told the Board that a \$500,000 settlement agreement had been reached in court ordered mediation whereby the County would receive in excess of \$300,000. The remainder would go towards attorney fees. Also, the cash that had been seized (approximately \$27,500) would be retained by the County to be used by the school system and all seized machines would be destroyed. In addition, the settlement agreement provides that those named in the suit would be prohibited from future participation in the video gaming business either directly or indirectly.

Upon the Board’s determination that the terms and conditions of the settlement agreement is satisfactory, Mr. Pugh advised that the Board adopt a resolution in open session declaring that a settlement had been reached and that all legal proceedings be terminated upon the execution of the formal agreement. The resolution also specifies that immediately following the signing of the agreement by all parties, the agreement shall be made available to the public and to the Clerk to the Board.

It was the consensus of the Board to adopt the resolution, as recommended by the County Attorney, in open session.

*On motion of Kemp, seconded by Davis, the Board voted unanimously at 6:30 p.m. to return to open session.*

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J. Harold Holmes

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Darrell L. Frye

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Phil Kemp

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Robert B. Davis

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Arnold Lanier

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Cheryl Ivey, Deputy Clerk to the Board

Approved: March 1, 2005

Unsealed: June 6, 2005